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| Speaker 1: | Regrettably regional Australia is going to, under the prevailing climate, and all of these things can be changed of course but under the prevailing climate we may well see the second best technologies being rolled out, which is not good enough. If I hand over to you Mike for a few minutes and then we'll open it up the questions. Thank you. |
| Mike: | Thanks [Tony 00:00:24]. It is a pleasure to be back up in New England again. I spent some time in the early days of NBN up in Armadale who were a very keen community to have the fiber to the premise roll out, which we did there. It was wonderful to see so many businesses take up the fiber to the prem and see how it made a big difference in their businesses. The whole world by the way now is moving fiber to the premises, there's very few places that are still continuing with fiber to the node. Fiber to the node is that where we put a node down and you still use the old copper cable. It is a pleasure to be here. I gave in fact a speech just last Wednesday night in University of Melbourne trying to lay out again why I believed that the original fiber to the premise NBN was the right answer for Australia. It was a big nation building visionary project but it was the right answer. I think what's happened around the world has proven that to be the case. |
|  | The coalition in 2013 did make a bet that an MTM, multi technology mix using the copper cable and a pay TV cable would be done faster and quicker. Quicker and also less expensively. They said it would be $29 billion in peak funding and it would be finished by 2016. As we now know that bet was a huge miscalculation because the 2016 has become 2020, probably more likely 2022. The 29 billion has become somewhere between 49 and 56 billion. It is a great pity that what's now being built is in fact the old technology, it's not the right technology for the future. It's going to have to be replaced, we don't know when exactly but it's not likely to be too long. We're seeing speeds and capacities increasing at a tremendous rate in other places in the world and here in Australia. The ABS, Australia Bureau of Statistics just came out with some data that said in the last 4 years usage of the internet, number of gigabytes per month downloaded has gone up 400%. |
|  | The internet company Cisco is predicting a doubling of speeds in the next 5 years, so it's not letting up, which means that high speed applications will follow, which is why it's such a pity that here for example in Tamworth folks are going to end up with fiber to the node instead of what they have in Armadale, which is fiber to the premise, the right answer. |
| Speaker 1: | We might go to some questions if we're ready. |
| Speaker 3: | You said that we're missing out. Economically what will the cost be financially for a regional center such as Tamworth? How will we be missing out financially? |
| Mike: | Because in the end you're going to need the higher speeds to deliver on some of the applications that are coming. If you have a look at what's happening around the US, AT&T who were, I was in fact in the US helping AT&T, the company I was working with, roll out a fiber to the node network, that was 10 years ago. They've now made the shift to fiber to the premise. They've said fiber to the node will no longer meet their needs. That's happening all around the world. Why are they doing it? They're not doing it just because of the fun of it or just because they think theoretically they need high speeds. These are commercial entities, they're only doing it because they can see the applications that are coming. I know sometimes it's hard to imagine how could you possibly utilize those high speeds but if you think back not that long ago many of us were on dial up, we couldn't survive on dial up today. |
|  | Well if you wind forward 5, 10 years you'll find that the speeds that are talked about now 25 to 50 megabyte will not be enough. I was on a trip recently, it's one of the things I'm associated with, a company that's doing special effects, who's doing augmented reality, virtual reality. The size of the file there are enormous, they're just simply enormous. They showed me some educational clips of things that could be done in teaching, in fact it was teaching medicine and they were really quite phenomenal but these files were enormous. You need to have very high capacities and very high bandwidths to move them around. |
| Speaker 3: | Would you say that industries would need I guess fast internet technology likely so their capacity could shift out of Tamworth to areas that do have it like Armadale? |
| Mike: | That's been happening. I think we've seen another area, and one of the early ones we did in parallel with Armadale was Kiama and we saw businesses moving into Kiama to get, in those early days, use of the fiber to the premise. That's happened I think in places around the world, even in the UK. By the way British telecom, which is kind of the poster child for fiber to the node, it's the one that keeps being referred to, again they just recently said they're going to do more fiber to the premise. The regulator in the the UK, [OFCOM 00:05:46], is pushing them in that direction. We're seeing people there moving their businesses to get high speed broadband. |
| Speaker 3: | For small businesses here I mean how much of an election issue should this be for them? |
| Mike: | It's not up to me, I don't know how big an election issue is it, but what I can tell you is if people are concerned about [prudency 00:06:09] and efficiency and a good use of tax payers dollars I can tell you that original plan would have been the right use. It would have, the company that ended up [inaudible 00:06:19] with a fully fiber-ed network would have ended up creating and generating a lot of cash which it then could have returned to the government or it could have used it to continue to expand the fiber footprint to bring better and better services. It is a big economic issue. My view is it literally is tens of billions of dollars that are going to have been wasted on the NBN because that fiber to the node network is going to have to be upgraded. |
| Speaker 4: | Any estimates as to how much it may eventually cost when we do have to upgrade to the fiber to the premise? |
| Mike: | The problem is there's very little that you can use because all those nodes that have got electronics in them and have to be powered, which is one of the problems by the way it's taking now so long is because you've got to get power to them, all of those nodes are redundant, you simply don't need them because with fiber to the premise you go all the way from the exchange building right to the home, which is why also it's much more reliable, there's no electrical connection in there. There's no copper in thee, there's no metal, it's all fiber and there's no electronics out in the field, so it will be in the billions if I was to replace that. |
|  | My understanding of the Labour party's policy is they're planning to replace or wind down 2 million premises worth of fiber to the node and do 2 million more of fiber to the premise but we'll still end up in that case with about 2 million [inaudible 00:07:49]. If the coalition continues and if fiber to the node roll out we'll end up with about 4 million premises of fiber to the node and about the same number of the old pay TV, what's called HSC. |
| Speaker 1: | If I could just comment on that too, what's most likely to happen when you look at the historical context of country representation, once fiber to the node is in it's highly unlikely given that the current National party representatives are pushing for the second best technology it's highly unlikely that someone is going to come along and say, well let's rip up what we thought was a great idea and reinstate it in Tamworth for instance or [Enderee 00:08:34] or where it happens to be. The likelihood of having second class technology relating to our city cousins is looming very large. What we were trying to do through the hung parliament and prior to that with Mike [inaudible 00:08:52] that came on board was actually get regional Australia some equity in terms of access. Now we've got equity of access and actually got an advantage because of all the costs and where he lives, et cetera. What we're going back to is a disadvantage, the old way of delivering to country people, oh they're out there somewhere just give them something, say it's all right and that will do then. |
|  | The market may well over time provide for the urban areas because the substantive size of those communities. Those communities may well get the technology anyway. Where we needed government support was where we were getting it in regional areas not just to give people communication systems but to have an impact on the overall economy. Not the least of which is to stop people forcing their way into major urban areas. With this technology you don't have to go there. If we go back to the old second class technology that's where they'll go and we'll maintain this suffering of losing people from our communities and lose the great advantage that Armadale will have. It will be the glaring example and we're seeing those advantages be rolled out now. |
| Mike: | It was interesting also to see the opposition that took place back in 2009, 2010, 2011 to launching two satellites, [NB INCO 00:10:27] had planned to design, build and launch two big satellites. One of those has now been launched. It's really provided those people who are in that last 3% of very very difficult places to get to with really good service, but those two satellites were opposed, absolutely opposed, for years. They're now all being celebrated by the way, but they were opposed. If you go back in the record you'll find the quotes saying, they're not needed, it's gold plating, it's a wast of money, it absolutely shouldn't be done. It's turned out that it absolutely should have been done but I think it was another reflection of thinking that people in rural areas can get by somehow. Those satellites are now providing good service to a place that really was atrociously bad service. |
| Speaker 4: | Mike we're seeing that Tamworth gets snubs a couple of times at NBN what's your understanding about [inaudible 00:11:21] as roll out maps get updated what are the shifting priorities of Tamworth? |
| Mike: | Well I think in the early days what my recollection is Armadale was just one of those sites that was chosen by our network planners to do for a variety of reasons but they also chose Kiama and a place in South Australia and up in Townsville, but my recollection is that Tamworth was on the schedule starting in 2013. I think the last are of Tamworth was going to be completed by about the first, second quarter of 2015, but an election took place. That plan was canned and not surprisingly with these big projects that they always take more time to get going than people anticipate. There's really been a two year plateau in roll out. It's only now, only after 3 years is the fiber to the node starting to come up. HFC has hardly started. I think it's just a consequence of that big shift in a plan. You take a big project like the NBN and you put a major shift in it you're going to delay it by years, that's exactly what's happened. |
| Speaker 4: | Hypothetically were a labour government to be elected would that lack of continuity in government would that push everything back again? |
| Mike: | No. I don't think so because I think everybody has now learned if you make a big change you will disrupt things if you change, which is why I think what the Labour party has said reading their policy is they're going to wind down the FTTN and they're going to wind up the fiber to the premise. The advantage they've got by the way is that fiber to the premise is a technology that's proven. When the coalitions NTN started they were starting on 2 different technologies again. In other words they had to start it from scratch and they had to renegotiate a deal with Telstra. I think they anticipated that renegotiation would be very simple, it was anything but simple which is why it took so long. By the way there was a lot of protections in that original deal which weren't given away in the renegotiated deal. I don't think if you were to see that shift take place to do another 2 million premises you wouldn't see the same sort of disruption you saw before. |
| Speaker 3: | Tony, if we could just go to another issue you put out ... |
| Speaker 1: | Just before we do that if you wouldn't mind, anything else on NBN? |
| Speaker 5: | Just a final point I'd like to make if I could is that one thing in politics, as in life nothing, is irreversible. I think people, particularly in the country they get themselves into a mindset where they say oh well if that's going to happen we're just going to have to put up with it. These things can change. What I'm trying to do and there are many others right across regional Australia trying to apply the political pressure to make sure that before a community like Tamworth is rolled out to the node and probably will stay there for 20 or 30 years before someone comes along and changes it again, before that happens make sure that the correct technology is put in place, the do it once, the do it right, the do it with fiber. That can still happen. The streets, they haven't been dug up yet. All of that is reversible. It's one of the reasons, one of about 5 significant future reasons that I'm re-contesting this seat. |
|  | I'm going to fight to the death on this because we've all argued irrespective of what political persuasion people have been in the country we've all argued that we've got to try and develop a better regional economy for the future. This is the infrastructure that you can build the regional economy on, you know we talk about [Gonski 00:15:27] for instance. Gonski plus NBN means capacity building for our kids. NBN plus renewable energy, NBN plus modern agriculture. NBN plus modern business. NBN plus modern health delivery. All of those things can be capacity built with this piece of infrastructure. For people in politics, particularly the National party to actually argue for second best is beyond me. This has never been about cost. I was talking to Mike about it earlier I can almost remember the day and it was on the back off the global financial crisis when the coalition was saying ... Barnaby Joyce was right in the middle of all of this at the time the coalition was saying we would have had a stimulus package but we wouldn't have spent as much as you guys. |
|  | I don't know what the correct number was to stop major unemployment but we dodged a bullet in terms of the global financial crisis. Just after that and the narrative was that it was Labour's waste and mismanagement in terms of the stimulus packages, just after that NBN was traveling down the street and someone said, oh here's another example of Labour's waste and mismanagement. That's when the critical political error was made, acute political stuff at the time but we should never have divided the major parties on this crucial piece of infrastructure and we're still living that life now. Personally I blame Tony Abbott, I think if Turnbull had been the opposition leader at the time we may well have had a consensus view of let's get this stuff done, but we divided the community and the victims well they were going to be people who lived in this town and other country towns across Australia and that's a tragedy. |
| Speaker 3: | You put a statement out last night about not being happy about a new ad that's come out, any more comments then? |
| Speaker 5: | Well there's basically phone calls made behind the scenes on that. I think it's an atrocious ad and it's offended my family, my wife particularly. I would have thought that [Bea Bourke 00:17:54], James [inaudible 00:17:56] the people who have put this ad together and ok'ed it would have withdrawn it for now. I think it says a lot about them and I still call on them to withdraw it. I think it's an ad that should never have gone to air. James [Trahaugh 00:18:18] has said to my wife that he didn't think it was a vote winner for them. Why would you run it then? Bea Bourke has said ... He's the chairman of the New South Wales national party, he said, oh it's just about politics. It's nothing. There's no policy issue in that ad. Politics should be about policy. They're quite happy for me or anybody else to be criticised about their deal on policy but why create some sort of inference and innuendo about other activities. It's all nonsense, we know that, but I would have thought those individuals, particularly Bea Bourke would have been a bit above this. |
| Speaker 3: | So if you've asked for the ad to be taken down, will you be seeking legal action if this doesn't happen or ... |
| Speaker 5: | We're going through the appropriate channels to have it taken down. That will be determined by the appropriate people, but I think there's a bigger question than that in this that the people who have sat around and decided to do this, and they are local people, should have a good hard look at themselves. I think that's the issue as much as any technical breach that's been made here. |
| Speaker 3: | Only 5 days to go now, how are you fairing? |
| Speaker 5: | Well I've enjoyed it. My head cold hasn't, I've had it for about a week. It's been an extraordinary campaign, a very long one, but a very enjoyable one. It's been good to be back with the people. I've enjoyed that immensely and [Lynn 00:20:09] has too. She was a bit wary of getting back into the fray because of some of the things that happened during the hung parliament, until this ad came along that's it's offended her, but it's been a really interesting time. I would have to say that the other candidates that we've mixed with at the candidate meetings and I have to put Barnaby Joyce to one side here because he hasn't been to many of the candidates meeting, but the others that have are probably the best group of candidates that I've ever participated with in a campaign. |
|  | The degree of knowledge on substantive issues, the grasp of those issues and the genuine intent in terms of the electorate. People think it's all about kneecapping the other guy in terms of politics but you do have a bit of fun, not a lot of fun, but you have a bit of fun with the other candidates and you get to see how serious they are about why they're doing it as well. That all adds to the flavor. |
| Speaker 3: | Are we going to be seeing a lot more of you in the next 5 days? Are there more votes to win or is it whatever happens happens now? |
| Speaker 5: | No. It's not over til Saturday morning or Saturday night for that matter. People can do something stupid on Saturday with modern technology, as modern [inaudible 00:21:40] it can get around the electorate pretty quickly that someone did something stupid. No, we don't take anything for granted. We'll be out there for the rest of the week doing everything for Australian people to [inaudible 00:21:55] and then fill out every box in order of their choice. |
| Speaker 3: | Doctor Tim [Batton 00:21:59] from UNE told us on page 3 of our paper this morning that Barnaby Joyce would be between 44 and 45% of the primaries to win the election. He believes you could take the lions share of preferences. Do you believe he's hit the nail on the head? What are you counting on when it comes to the vote? |
| Speaker 5: | I don't think anybody is going to win on primaries, so obviously it does get down to preferences. Excuse me. Just the sort of thing you want happening at a press conference. |